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Please complete
legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

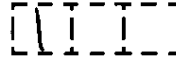
A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number



06116179

Name of company

* Adams Kids Limited (the "**Company**")

Date of creation of the charge

27 February 2008

Description of the instrument (if any) creating or evidencing the charge (note 2)

Debenture made between (1) Adams Childrenswear Holdings Limited, (2) the Company, Adams Childrenswear Limited, Adams Retail Limited, Clothes 4 Kids Limited and Mini Mode Childrenswear Limited (together the "**Original Subsidiaries**") and (3) John Hardy Shannon (the "**Lender**") (the "**Debenture**").

Amount secured by the mortgage or charge

The Company covenants that it will pay on demand to the Lender all moneys and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to the Lender whether express or implied, present, future or contingent, joint or several, incurred as principal or surety determined in whatever currency or incurred on any account whatsoever when the same become due for payment or discharge and interest (as well after as before judgment) to date of payment at such rates and upon terms as may from time to time be payable and all commission, fees, expenses and other charges and all legal and other costs when the same become due for payment or discharge (the "**Secured Obligations**")

Names and addresses of the mortgagees or persons entitled to the charge

John Shannon of Siddington House, Siddington, Cirencester, Gloucestershire

Postcode GL7 6EU

Presentor's name address and
reference (if any)

Hammonds
Rutland House
148 Edmund Street
Birmingham
B3 2JR

Time critical reference
SZA/HAM 401-0010

For official Use (06/2005)
Mortgage Section



A43

AU9GSXM4

29/02/2008

COMPANIES HOUSE

274

Short particulars of all the property mortgaged or charged

Please see continuation sheets 1 - 7

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*Please complete
legibly, preferably
in black type, or
bold block
lettering*

Particulars as to commission allowance or discount (note 3)

None

Signed Hammonds

Date 27-02-08

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [chargee] †

*A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge
(See Note 5)*

*† delete as
appropriate*

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his,
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is Companies House, Crown Way, Cardiff CF14 3UZ.

CONTINUATION SHEET 1

COMPANY NAME. ADAMS KIDS LIMITED

COMPANY NUMBER: 06116179

1 SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

1 1 The Company, with full title guarantee, hereby charges to the Lender as a continuing security for the payment and discharge of the Secured Obligations

- (a) by way of first legal mortgage, the Properties (if any) specified against its name in schedule 2 (*Properties*) of the Debenture (or, as the case may be, schedule 1 (*Properties*) of the relevant Security Accession Deed),
- (b) by way of first legal mortgage, all Properties (other than any property specified in schedule 2 (*Properties*) of the Debenture (or, as the case may be, schedule 1 (*Properties*) of the relevant Security Accession Deed)) now owned by the Company or in which the Company has an interest,
- (c) by way of first fixed charge (to the extent not the subject of a legal mortgage by virtue of paragraphs 1 1(a) or 1 1(b) (above) all present and future Properties now or from time to time hereafter owned by the Company or in which the Company may have an interest,
- (d) by way of first fixed charge, the Equipment (if any) specified in schedule 3 (*Equipment*) of the Debenture (or, as the case may be, schedule 2 (*Equipment*) of the relevant Security Accession Deed) and the benefit of all contracts and warranties relating to the same,
- (e) by way of first fixed charge, all Equipment (other than any property specified in schedule 3 (*Equipment*) of the Debenture (or, as the case may be, schedule 2 (*Equipment*)) of the relevant Security Accession Deed) now or from time to time hereafter owned by the Company or in which the Company has an interest and the benefit of all contracts and warranties relating to the same,
- (f) by way of first fixed charge, all Securities now or from time to time hereafter owned by the Company or in which the Company has an interest,
- (g) by way of first fixed charge, all Debts now or from time to time hereafter owned by such Company or in which the Company has an interest (whether originally owing to the Company or purchased or otherwise acquired by it),
- (h) by way of first fixed charge, the proceeds of collection of all Debts and all moneys standing to the credit of the Receivables Account,

CONTINUATION SHEET 2

COMPANY NAME: ADAMS KIDS LIMITED

COMPANY NUMBER: 06116179

- (i) by way of first fixed charge any and all amounts from time to time standing to the credit of all present and future accounts of the Company with any bank, financial institution or other person,
- (j) by way of first fixed charge, the proceeds of all other sums of money received by the Company, other than those specified in paragraphs 1 1(g), 1 1(h) or 1 1(i) above,
- (k) by way of first fixed charge, the goodwill and uncalled capital of the Company, and

In addition to the above, the Company hereby charges to the Lender as a continuing security for the payment and discharge of the Secured Obligations

- (l) by way of first fixed charge, the Intellectual Property (if any) specified in schedule 5 (*Intellectual Property*) of the Debenture (or, as the case may be, schedule 4 (*Intellectual Property*) of the relevant Security Accession Deed), and
- (m) by way of first fixed charge, all Intellectual Property (other than any Intellectual Property specified in schedule 5 (*Intellectual Property*) of the Debenture (or, as the case may be, schedule 4 (*Intellectual Property*) of the relevant Security Accession Deed)), now or from time to time hereafter owned by the Company or in which the Company may have an interest

1.2 Floating Charges

The Company, with full title guarantee, hereby charges to the Lender by way of first floating charge as a continuing security for the payment and discharge of the Secured Obligations its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future, including, without limitation, its Inventory other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to paragraph 1 1 (*Fixed Charges*) above or otherwise pursuant to this deed but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland

1 3 Qualifying Floating Charge

The provisions of paragraph 14 of schedule B1 Insolvency Act 1986 apply to the floating charges in paragraph 1 2 (*Floating Charges*) above, which shall be enforceable at any time on or after the Enforcement Date

CONTINUATION SHEET 3

COMPANY NAME: ADAMS KIDS LIMITED

COMPANY NUMBER. 06116179

1.4 Restrictions on dealing with Charged Assets

The Company hereby covenants that it will not

- (a) dispose of all or any of its Properties other than by way of permitted disposal,
- (b) dispose of all or any of the Equipment specified schedule 3 (*Equipment*) of the Debenture except for permitted disposals and disposals for which the Lender's consent has been requested and expressly granted,
- (c) dispose of all or any of the other Fixed Charge Assets without the prior written consent of the Lender except by way of permitted disposal,
- (d) dispose of its Inventory or any other Charged Asset the disposal of which is not otherwise restricted by the express terms of this deed otherwise than for full value in the ordinary course of business and except by way of permitted disposal,
- (e) without limiting the generality of the foregoing provisions of this paragraph 1 4 (*Restrictions on dealing with Charged Assets*) above dispose of, or create or attempt to create or permit to subsist or arise any Encumbrance on or over, the Debts or any part thereof or release, set off or compound or deal with the same otherwise than in accordance with clause 5 1(b) (*Debts*) of the Debenture, or
- (f) create or attempt to create or permit to subsist in favour of any person other than the Lender any Encumbrance on or affecting the Charged Assets or any part thereof except a permitted security

1.5 Automatic conversion of floating charge

So far as permitted by law and notwithstanding anything expressed or implied in this deed

- (a) if the Company creates or attempts to create any Encumbrance over all or any of the Charged Assets without the prior written consent of the Lender or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Charged Assets, the floating charge created by paragraph 1 2 (*Floating Charges*) above over the Properties or asset concerned shall thereupon automatically without notice be converted into a fixed charge, and

CONTINUATION SHEET 4

COMPANY NAME: ADAMS KIDS LIMITED

COMPANY NUMBER: 06116179

- (b) each floating charge created by paragraph 1 2 (*Floating Charges*) above shall automatically be converted into a fixed charge on the Enforcement Date

1 6 Conversion of floating charge by notice

Notwithstanding anything expressed or implied in this deed but without prejudice to paragraph 1 5 (*Automatic conversion of floating charge*) above, the Lender shall be entitled at any time after an Event of Default which is continuing unremedied and unwaived by giving notice in writing to that effect to the Company to convert the floating charge created by the Company over all or any part of the Charged Assets into a fixed charge as regards the assets specified in such notice

2 FURTHER ASSURANCE

2 1 Further assurance

Each Company shall if and when at any time required by the Lender execute such further Encumbrances and assurances in favour or for the benefit of the Lender and do all such acts and things as the Lender shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Obligations or to perfect or protect the Lender's security over the Charged Assets or any part thereof or to facilitate the realisation of the same

3 CONTINUING SECURITY AND OTHER MATTERS

3.1 Continuing security

The Debenture and the obligations of the Company under this deed shall extend to the ultimate balance from time to time owing in respect of the Secured Obligations and shall be a continuing security notwithstanding any intermediate payment, partial settlement or other matter whatsoever

4 DEFINITIONS

"**Administrator**" means any person appointed under Schedule B1 Insolvency Act 1986 to manage a Company's affairs, business and property

"**Charged Assets**" means, in relation to a Company, all assets of that Company described in paragraphs 1 1 (*Fixed Charges*) and 1 2 (*Floating Charges*) above

CONTINUATION SHEET 5

COMPANY NAME: ADAMS KIDS LIMITED

COMPANY NUMBER: 06116179

"Collateral Instruments" means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance

"Debts" means book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto (whether as creditor or beneficiary) including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights, but excluding any assets the subject of paragraphs 1 1(h) or 1 1(i) above

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind securing or preferring any obligation of any person or any other arrangement having the effect of conferring rights of retention or set-off or other disposal rights over an asset (including, without limitation, title transfer and/or retention arrangements having a similar effect) and includes any agreement to create any of the foregoing

"Enforcement Date" means the date on which an Event of Default occurs or, if earlier, the date on which

- (a) the Lender receives from any person a notice of intention to appoint an Administrator,
- (b) the Company requests the Lender to appoint an Administrator or a Receiver,
- (c) an application is made for the appointment of an Administrator,
- (d) a petition is presented for an administration order in respect of the Company,
- (e) an Administrator is appointed in relation to the Company

CONTINUATION SHEET 6

COMPANY NAME: ADAMS KIDS LIMITED

COMPANY NUMBER. 06116179

"Equipment" means machinery, equipment, furniture, furnishings, fittings and fixtures and other tangible personal property (other than Inventory), including, without limitation, data processing hardware and software, motor vehicles, aircraft, dies, tools, jigs and office equipment, together with all present and future additions thereto, replacements or upgrades thereof, components and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto wherever any of the foregoing is located

"Event of Default" means any default which has a material adverse effect on the Principal Borrower

"Fixed Charge Assets" means the assets of each Company described in paragraph 1.1 (*Fixed Charges*) above

"Fixtures" means, in relation to a Property, all fixtures and fittings (including trade fixtures and fittings), fixed plant and machinery and other items attached to that property, whether or not constituting a fixture at law

"Intellectual Property" means all patents (including applications for and rights to apply for patents), trade marks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, semiconductor topography rights, database rights, copyrights, computer programs, know-how and trade secrets and all other intellectual or intangible property or rights and all licences, agreements and ancillary and connected rights relating to intellectual and intangible property including any renewals, revivals or extensions thereof and wherever in the world subsisting

"Inventory" means inventory, goods and merchandise, wherever located, raw materials, work-in-progress, finished goods, returned goods and materials and supplies of any kind, nature or description used in connection with a Company's business or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods, merchandise and such other specified property, and all documents of title or other documents representing them

"Principal Borrower" means Adams Childrenswear Holdings Limited (Company Number 06027018) whose registered office is at Attleborough House, Townsend Drive, Nuneaton, Warwickshire CV11 6RU

"Property" means freehold and leasehold property wherever situate (other than any heritable property in Scotland), and includes all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same and **"Properties"** means all or any of the same, as the context requires

CONTINUATION SHEET 7

COMPANY NAME: ADAMS KIDS LIMITED

COMPANY NUMBER: 06116179

"Receivables Account" means an account with the Lender or any bank, financial institution or other person to which the proceeds of realisation of Debts are to be paid pursuant to clause 5 1(b) of the Debenture (*Debts*)

"Securities" means the Subsidiary Shares and any other stocks, shares, bonds and securities of any kind whatsoever (including warrants and options to acquire or subscribe any of the same) whether marketable or otherwise and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof

"Security Accession Deed" means a deed executed by a Subsidiary of the Principal Borrower substantially in the form set out in schedule 6 (*Form of Security Accession Deed*) of the Debenture with those amendments which the Lender may approve or reasonably require

"Subsidiary" shall have the meaning given to it in section 736 Companies Act 1985

"Subsidiary Shares" means, in relation to a Company, all the shares listed against its name in schedule 4 (*Subsidiary Shares*) (or, as the case may be, schedule 3 (*Subsidiary Shares*) of the relevant Security Accession Deed)



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

Pursuant to section 401(2) of the Companies Act 1985

COMPANY NO. 6116179
CHARGE NO. 1

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 27
FEBRUARY 2008 AND CREATED BY ADAMS KIDS LIMITED FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE
COMPANY TO JOHN SHANNON ON ANY ACCOUNT
WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1
PART XII OF THE COMPANIES ACT 1985 ON THE 29 FEBRUARY
2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6 MARCH 2008

P. Well



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES